

Chia Chang Co., Ltd.

**Parent Company Only Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chia Chang Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Chia Chang Co., Ltd. (the "Corporation"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Corporation as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Corporation's parent company only financial statements for the year ended December 31, 2024 are described as follows:

Occurrence of Recognized of Sales Revenue

Chia Chang Co., Ltd. engages mainly in manufacturing metal stamping of internal and external mechanical parts and related products. Although the overall market demand declined in 2024, there was still an increase in revenue due to sales made to certain customers. Since the amount and proportion of sales revenue were significant, we considered the occurrence of recognized sales revenue from certain customers as a key audit matter of the parent company only financial statements for the year ended December 31, 2024. Refer to Notes 4 and 16 to the parent company only financial statements for the accounting policies on revenue recognition.

The audit procedures we have performed in respect of the above key audit matter included understanding, assessing and testing of the effectiveness of the design and implementation of the internal control related to the sales revenue. We selected sample transactions of those sales for certain customers, selected samples of sales revenue and performed confirmation procedures to verify the occurrence of sales revenue. We conducted alternative audit procedures for those who failed to respond to the confirmation request immediately and validated the relevant transaction documents to verify the occurrence of sales revenue.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the audit committee) are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chih-Yuan Chen and Shih-Chieh Chou.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2025

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

CHIA CHANG CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 64,399	1	\$ 516,420	6
Notes and accounts receivable, net (Notes 4, 7, 16 and 22)	530,417	5	533,321	6
Other receivables (Note 22)	103,139	1	2,044	-
Inventories, net (Notes 4 and 8)	103,688	1	109,418	1
Prepayments	46,121	-	35,465	-
Other financial assets - current (Notes 4, 6 and 23)	361,800	4	219,700	2
Other current assets	<u>2,469</u>	<u>-</u>	<u>13,937</u>	<u>-</u>
Total current assets	<u>1,212,033</u>	<u>12</u>	<u>1,430,305</u>	<u>15</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	135,425	1	139,967	2
Investments accounted for using equity method (Notes 4 and 10)	7,815,405	80	7,155,601	77
Property, plant and equipment (Notes 4, 11 and 23)	506,877	5	486,482	5
Right-of-use assets (Notes 4 and 12)	61,331	1	-	-
Investment properties (Notes 4 and 13)	52,438	1	53,214	1
Deferred tax assets (Notes 4 and 18)	2,621	-	8,984	-
Prepayments for machinery and equipment	3,171	-	34,464	-
Other non-current assets	<u>5,840</u>	<u>-</u>	<u>6,031</u>	<u>-</u>
Total non-current assets	<u>8,583,108</u>	<u>88</u>	<u>7,884,743</u>	<u>85</u>
TOTAL	<u>\$ 9,795,141</u>	<u>100</u>	<u>\$ 9,315,048</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	\$ 66,057	1	\$ 132,286	1
Accounts payable (Note 22)	126,514	1	118,323	1
Other payables (Note 22)	167,982	2	181,873	2
Current tax liabilities (Notes 4 and 18)	18,284	-	136,171	2
Lease liabilities - current (Notes 4 and 12)	7,647	-	-	-
Other current liabilities	<u>19,847</u>	<u>-</u>	<u>18,098</u>	<u>-</u>
Total current liabilities	<u>406,331</u>	<u>4</u>	<u>586,751</u>	<u>6</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 18)	201,987	2	200,346	2
Lease liabilities - non-current (Notes 4 and 12)	54,625	1	-	-
Guarantee deposits	<u>830</u>	<u>-</u>	<u>830</u>	<u>-</u>
Total non-current liabilities	<u>257,442</u>	<u>3</u>	<u>201,176</u>	<u>2</u>
Total liabilities	<u>663,773</u>	<u>7</u>	<u>787,927</u>	<u>8</u>
EQUITY (Notes 4 and 15)				
Ordinary shares	<u>1,423,676</u>	<u>14</u>	<u>1,423,676</u>	<u>15</u>
Capital surplus	<u>2,820,346</u>	<u>29</u>	<u>2,820,797</u>	<u>30</u>
Retained earnings				
Legal reserve	1,016,214	11	954,711	10
Special reserve	515,121	5	435,084	5
Unappropriated earnings	<u>3,532,921</u>	<u>36</u>	<u>3,407,974</u>	<u>37</u>
Total retained earnings	<u>5,064,256</u>	<u>52</u>	<u>4,797,769</u>	<u>52</u>
Other equity	<u>(176,910)</u>	<u>(2)</u>	<u>(515,121)</u>	<u>(5)</u>
Total equity	<u>9,131,368</u>	<u>93</u>	<u>8,527,121</u>	<u>92</u>
TOTAL	<u>\$ 9,795,141</u>	<u>100</u>	<u>\$ 9,315,048</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

CHIA CHANG CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
SALES REVENUE (Notes 4, 16 and 22)	\$ 1,349,516	100	\$ 1,583,396	100
COST OF GOODS SOLD (Notes 4, 8, 17 and 22)	<u>857,497</u>	<u>63</u>	<u>1,048,469</u>	<u>66</u>
GROSS PROFIT	<u>492,019</u>	<u>37</u>	<u>534,927</u>	<u>34</u>
OPERATING EXPENSES (Notes 17 and 22)				
Selling and marketing expenses	46,089	3	43,299	3
General and administrative expenses	169,876	13	175,039	11
Research and development expenses	<u>48,411</u>	<u>4</u>	<u>47,205</u>	<u>3</u>
Total operating expenses	<u>264,376</u>	<u>20</u>	<u>265,543</u>	<u>17</u>
INCOME FROM OPERATIONS	<u>227,643</u>	<u>17</u>	<u>269,384</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES (Note 4)				
Other income (Notes 17 and 22)	4,858	-	6,751	-
Share of profit of associates accounted for using equity method (Note 10)	414,447	31	501,034	32
Interest income (Note 22)	13,372	1	13,314	1
Other gains and losses (Notes 17 and 24)	46,183	3	9,707	1
Interest expense	<u>(1,541)</u>	<u>-</u>	<u>(831)</u>	<u>-</u>
Total non-operating income and expenses	<u>477,319</u>	<u>35</u>	<u>529,975</u>	<u>34</u>
INCOME BEFORE INCOME TAX	704,962	52	799,359	51
INCOME TAX EXPENSE (Notes 4 and 18)	<u>111,029</u>	<u>8</u>	<u>184,327</u>	<u>12</u>
NET INCOME	<u>593,933</u>	<u>44</u>	<u>615,032</u>	<u>39</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(4,542)	-	4,388	-
Share of the other comprehensive income (loss) of subsidiaries and associates for using equity method	(22,881)	(2)	30,184	2

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CHIA CHANG CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	\$ 365,634	27	\$ (114,609)	(7)
Other comprehensive income (loss)	338,211	25	(80,037)	(5)
TOTAL COMPREHENSIVE INCOME	<u>\$ 932,144</u>	<u>69</u>	<u>\$ 534,995</u>	<u>34</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 19)				
Basic	<u>\$ 4.17</u>		<u>\$ 4.32</u>	
Diluted	<u>\$ 4.15</u>		<u>\$ 4.29</u>	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

CHIA CHANG CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Ordinary Shares			Retained Earnings				Exchange Differences on Translation of Foreign Operations	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total				
BALANCE AT JANUARY 1, 2023	142,368	\$ 1,423,676	\$ 2,820,797	\$ 890,220	\$ 597,812	\$ 3,050,624	\$ 4,538,656	\$ (477,765)	\$ 42,681	\$ (435,084)	\$ 8,348,045
Appropriation of 2022 earnings											
Legal reserve	-	-	-	64,491	-	(64,491)	-	-	-	-	-
Special reserve reversal	-	-	-	-	(162,728)	162,728	-	-	-	-	-
Cash dividends distributed	-	-	-	-	-	(355,919)	(355,919)	-	-	-	(355,919)
Total appropriation of 2022 earnings	-	-	-	64,491	(162,728)	(257,682)	(355,919)	-	-	-	(355,919)
Net income for the year ended December 31, 2023	-	-	-	-	-	615,032	615,032	-	-	-	615,032
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	-	(114,609)	34,572	(80,037)	(80,037)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	615,032	615,032	(114,609)	34,572	(80,037)	534,995
BALANCE AT DECEMBER 31, 2023	142,368	1,423,676	2,820,797	954,711	435,084	3,407,974	4,797,769	(592,374)	77,253	(515,121)	8,527,121
Appropriation of 2023 earnings											
Legal reserve	-	-	-	61,503	-	(61,503)	-	-	-	-	-
Special reserve	-	-	-	-	80,037	(80,037)	-	-	-	-	-
Cash dividends distributed	-	-	-	-	-	(327,446)	(327,446)	-	-	-	(327,446)
Total appropriation of 2023 earnings	-	-	-	61,503	80,037	(468,986)	(327,446)	-	-	-	(327,446)
Net income for the year ended December 31, 2024	-	-	-	-	-	593,933	593,933	-	-	-	593,933
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	-	365,634	(27,423)	338,211	338,211
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	593,933	593,933	365,634	(27,423)	338,211	932,144
Changes in percentage of ownership interests in subsidiaries	-	-	(451)	-	-	-	-	-	-	-	(451)
BALANCE AT DECEMBER 31, 2024	142,368	\$ 1,423,676	\$ 2,820,346	\$ 1,016,214	\$ 515,121	\$ 3,532,921	\$ 5,064,256	\$ (226,740)	\$ 49,830	\$ (176,910)	\$ 9,131,368

The accompanying notes are an integral part of the parent company only financial statements.

CHIA CHANG CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 704,962	\$ 799,359
Adjustments for:		
Share of profit of subsidiaries and associates accounted for using equity method	(414,447)	(501,034)
Amortization	13,965	26,668
Depreciation	39,265	24,842
Interest income	(13,372)	(13,314)
Unrealized loss (gain) on foreign exchange	(22,318)	10,438
Write-down of inventories	829	3,093
Interest expense	1,541	831
Loss (gain) on disposal and retirement of property, plant and equipment	18	(147)
Changes in operating assets and liabilities		
Notes and accounts receivable	25,726	169,047
Other receivable	(1,562)	210
Inventories	4,901	51,929
Prepayments	(10,656)	(4,326)
Other current assets	(1,092)	(21,418)
Notes payable	(66,229)	(79,946)
Accounts payable	5,179	(33,167)
Other payables	(12,454)	(22,684)
Other current liabilities	1,749	(17,267)
Cash generated by operations	256,005	393,114
Income tax paid	(220,912)	(148,329)
Interest received	12,204	13,028
Net cash generated by operating activities	47,297	257,813
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in other financial assets	(923,927)	(219,700)
Decrease in other financial assets	781,827	118,920
Dividends received	178,514	491,132
Increase in other receivables from related parties	(95,857)	-
Acquisition of investments accounted for using equity method	-	(109,606)
Payments of property, plant and equipment	(16,447)	(25,971)
Increase in prepayments for machinery and equipment	(3,171)	(20,469)
Increase in other non-current assets	(1,089)	(1,357)
Proceeds from disposal of property, plant and equipment	33	12,665
Proceeds from capital reduction of investments accounted for using equity method	-	341,124
Purchase of financial assets at fair value through other comprehensive income	-	(80,000)
Net cash generated by (used in) investing activities	(80,117)	506,738

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CHIA CHANG CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	\$ (327,446)	\$ (355,919)
Acquisition of additional interests in subsidiaries	(81,569)	-
Repayment of the principal portion of lease liabilities	(7,517)	-
Interest paid	(2,669)	(867)
Decrease in short-term borrowings	<u>-</u>	<u>(190,000)</u>
Net cash used in financing activities	<u>(419,201)</u>	<u>(546,786)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(452,021)	217,765
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>516,420</u>	<u>298,655</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 64,399</u>	<u>\$ 516,420</u>

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

CHIA CHANG CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Chia Chang Co., Ltd. (the “Corporation”) was incorporated in September 1985, and engages mainly in manufacturing, processing and trading of various precision machinery, related mechanical mold components, mechanical steel mold accessories and computer peripheral equipment.

The Corporation’s shares have been listed on the Taiwan Stock Exchange (“TWSE”) since June 2011.

The parent company only financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Corporation’s Board of Directors on February 26, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Corporation’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by International Accounting Standards Board (IASB)
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Corporation shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

As of the date the parent company only financial statements were authorized for issue, the Corporation has assessed that the application of the above standards and interpretations will not have a material impact on the Corporation’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Corporation shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Corporation shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Corporation as a whole, the Corporation shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Corporation is continuously assessing the other impacts of the above amended standards and interpretations on the Corporation’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the parent company only financial statements, the Corporation used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, and
- 3) Liabilities for which the Corporation does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the Corporation's financial statements, transactions in currencies other than the Corporation's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

e. Inventories

Inventories consist of raw materials and supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost.

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of the equity of the associates attributable to the Corporation.

When the Corporation's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Investments in associates

An associate is an entity over which the Corporation has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Corporation uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of the equity of associates attributable to the Corporation.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using equity method. If the Corporation's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate, the Corporation discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Corporation discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Corporation's parent company only financial statements only to the extent of interests in the associate that are not related to the Corporation.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, investment properties, and intangible assets other than goodwill

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at amortized cost and investment in equity instruments at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable, other financial assets-current, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit-impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset due to financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Corporation always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Corporation considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Corporation):

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 150 days past due unless the Corporation has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity, and its book value is calculated based on the weighted average of stock types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

m. Revenue recognition

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods comes from sales of metal stamped products. Sales of metal stamped products are recognized as revenue according to the terms of the sale agreed with the customer, such as when the goods have been delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

The Corporation does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

n. Leases

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

o. Government grants

Government grants are not recognized until there is reasonable assurance that the Corporation will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Corporation recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Corporation should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and recognized in profit or loss on a systematic and rational basis over the useful lives of the related assets.

p. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Corporation's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

q. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Corporation considers the possible impact of inflation and interest rate fluctuations on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Checking accounts and demand deposits	\$ 31,613	\$ 264,178
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	32,785	252,242
Cash on hand	<u>1</u>	<u>-</u>
	<u>\$ 64,399</u>	<u>\$ 516,420</u>

As of December 31, 2024 and 2023, time deposits with original maturities of more than 3 months were \$361,800 thousand and \$79,700 thousand, respectively, which were classified as other financial assets - current.

The interest rates of time deposits at the end of the reporting year were as follows:

	December 31	
	2024	2023
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	4.35%	1.10%-5.60%
Time deposits with original maturities more than 3 months	1.26%-1.69%	1.40%-1.52%

7. NOTES AND ACCOUNTS RECEIVABLE

	December 31	
	2024	2023
<u>Notes receivable - operating</u>	\$ 57	\$ 177
<u>Accounts receivable</u>		
At amortized cost		
Gross carrying amount	530,360	533,144
Less: Allowance for impairment loss	-	-
	<u>530,360</u>	<u>533,144</u>
Total	<u>\$ 530,417</u>	<u>\$ 533,321</u>

The average credit period of sales of goods is 60-180 days. No interest is charged on unpaid accounts receivable.

In order to mitigate credit risk, the Corporation has delegated qualified management personnel in accordance with the segregation of duties principle to be responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Corporation's credit risk was significantly reduced.

The Corporation measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position and economic condition of the industry in which the customer operates. As the Corporation's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Corporation's different customer base.

The Corporation writes off accounts receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery of the receivables. For accounts receivable that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes and accounts receivable based on the Corporation's provision matrix.

December 31, 2024

	Not Past Due	Past Due				Total
		Less than 90 Days	91 to 120 Days	121 to 150 Days	Over 150 Days	
Expected credit loss rate	-	-	-	-	-	
Gross carrying amount	\$ 528,814	\$ 1,603	\$ -	\$ -	\$ -	\$ 530,417
Allowance for impairment loss (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	<u>\$ 528,814</u>	<u>\$ 1,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 530,417</u>

December 31, 2023

	Not Past Due	Past Due				Total
		Less than 90 Days	91 to 120 Days	121 to 150 Days	Over 150 Days	
Expected credit loss rate	-	-	-	-	-	
Gross carrying amount	\$ 531,751	\$ 1,444	\$ -	\$ -	\$ 126	\$ 533,321
Allowance for impairment loss (Lifetime ECLs)	-	-	-	-	-	-
Amortized cost	<u>\$ 531,751</u>	<u>\$ 1,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126</u>	<u>\$ 533,321</u>

8. INVENTORIES

	December 31	
	2024	2023
Finished goods	\$ 50,626	\$ 57,908
Work in progress	38,461	32,366
Raw materials and supplies	<u>14,601</u>	<u>19,144</u>
	<u>\$ 103,688</u>	<u>\$ 109,418</u>

The cost of goods sold included the following:

	For the Year Ended December 31	
	2024	2023
Cost of inventories sold	\$ 856,668	\$ 1,045,376
Inventory write-downs	<u>829</u>	<u>3,093</u>
	<u>\$ 857,497</u>	<u>\$ 1,048,469</u>

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2024	2023
<u>Non-current</u>		
Domestic investments		
Unlisted company		
Chimei Motor Electronics Co., Ltd.	\$ 11,968	\$ 17,287
Top Taiwan XIII Venture Capital Co., Ltd.	46,067	42,680
WK Technology Fund IX II Ltd.	<u>77,390</u>	<u>80,000</u>
	<u>\$ 135,425</u>	<u>\$ 139,967</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation's strategy of holding these investments for long-term purposes.

10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2024	2023
Investments in subsidiaries	\$ 7,815,405	\$ 7,155,601
Investments in associates	<u>-</u>	<u>-</u>
	<u>\$ 7,815,405</u>	<u>\$ 7,155,601</u>

a. Investments in subsidiaries

	December 31	
	2024	2023
CHIA CORPORATION	\$ 6,624,318	\$ 5,948,254
GOLDSKY ENTERPRISE LIMITED	672,014	762,180
CHIA CHANG TECHNOLOGY (VIETNAM) COMPANY LIMITED	185,421	104,574
Chia Development Co., Ltd.	<u>333,652</u>	<u>340,593</u>
	<u>\$ 7,815,405</u>	<u>\$ 7,155,601</u>

	% of Ownership and Voting Rights	
	December 31	
Name of Subsidiary	2024	2023
CHIA CORPORATION	100.00	100.00
GOLDSKY ENTERPRISE LIMITED	100.00	100.00
CHIA CHANG TECHNOLOGY (VIETNAM) COMPANY LIMITED	100.00	100.00
Chia Development Co., Ltd.	100.00	100.00

In order to strengthen the cooperative relationship with customers and respond to the strategic layout of supply to important customers, on May 3, 2023, the Corporation's Board of Directors approved the investment in establishing a subsidiary in Vietnam with a planned investment of USD 10 million over the years and had been invested and registered in December 2023. As of December 31, 2024, the amount of the Corporation's investment in the subsidiary was USD 6 million.

b. Investments in associates

	For the Year Ended December 31	
	2024	2023
The Corporation's share of:		
Net loss	\$ -	\$ -
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	<u>\$ -</u>	<u>\$ -</u>

When the Corporation's share of loss of an associate equals or exceeds its interest in that associate, the Corporation discontinues recognizing its share of further loss, if any. The amounts of unrecognized share of losses of Zen Material Technology Inc. and Chia Chain Precious Hardware & Electronics (Suzhou) Co., Ltd. from the relevant financial statements of the associates, both for the year and cumulatively, were as follows:

	For the Year Ended December 31	
	2024	2023
Unrecognized share of losses of the associates for the year	<u>\$ (18,998)</u>	<u>\$ (20,904)</u>
Accumulated unrecognized share of losses of the associates	<u>\$ (57,096)</u>	<u>\$ (38,098)</u>

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Total
<u>Cost</u>					
Balance at January 1, 2023	\$ 326,047	\$ 166,042	\$ 322,507	\$ 37,511	\$ 852,107
Additions	2,400	8,915	7,044	7,612	25,971
Disposals	(12,495)	-	(14,868)	(780)	(28,143)
Reclassification	<u>1,028</u>	<u>-</u>	<u>1,215</u>	<u>-</u>	<u>2,243</u>
Balance at December 31, 2023	<u>\$ 316,980</u>	<u>\$ 174,957</u>	<u>\$ 315,898</u>	<u>\$ 44,343</u>	<u>\$ 852,178</u>
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2023	\$ -	\$ 68,017	\$ 255,987	\$ 33,252	\$ 357,256
Disposals	-	-	(14,845)	(780)	(15,625)
Depreciation expense	<u>-</u>	<u>5,769</u>	<u>16,152</u>	<u>2,144</u>	<u>24,065</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 73,786</u>	<u>\$ 257,294</u>	<u>\$ 34,616</u>	<u>\$ 365,696</u>
Carrying amount at December 31, 2023	<u>\$ 316,980</u>	<u>\$ 101,171</u>	<u>\$ 58,604</u>	<u>\$ 9,727</u>	<u>\$ 486,482</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Total
<u>Cost</u>					
Balance at January 1, 2024	\$ 316,980	\$ 174,957	\$ 315,898	\$ 44,343	\$ 852,178
Additions	-	6,688	7,215	2,544	16,447
Disposals	-	(89)	(849)	(315)	(1,253)
Reclassification	-	-	30,427	3,912	34,339
Balance at December 31, 2024	<u>\$ 316,980</u>	<u>\$ 181,556</u>	<u>\$ 352,691</u>	<u>\$ 50,484</u>	<u>\$ 901,711</u>
<u>Accumulated depreciation and impairment</u>					
Balance at January 1, 2024	\$ -	\$ 73,786	\$ 257,294	\$ 34,616	\$ 365,696
Disposals	-	(40)	(847)	(315)	(1,202)
Depreciation expense	-	5,714	21,720	2,906	30,340
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 79,460</u>	<u>\$ 278,167</u>	<u>\$ 37,207</u>	<u>\$ 394,834</u>
Carrying amount at December 31, 2024	<u>\$ 316,980</u>	<u>\$ 102,096</u>	<u>\$ 74,524</u>	<u>\$ 13,277</u>	<u>\$ 506,877</u>
					(Concluded)

No impairment loss or reversal of impairment loss was recognized for the years ended December 31, 2024 and 2023.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	20-45 years
Elevators	15-20 years
Others	5-8 years
Machinery and equipment	2-10 years
Miscellaneous equipment	2-10 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 23.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2024
<u>Carrying amount</u>	
Buildings	<u>\$ 61,331</u>

**For the Year
Ended
December 31,
2024**

Additions to right-of-use assets	\$ <u>73,267</u>
----------------------------------	------------------

Depreciation charge for right-of-use assets	
Buildings	\$ <u>8,149</u>

Except for the aforementioned addition and recognized depreciation, the Corporation did not have significant sublease or impairment of right-of-use assets for the year ended December 31, 2024.

b. Lease liabilities

**December 31,
2024**

Carrying amounts

Current	\$ <u>7,647</u>
Non-current	\$ <u>54,625</u>

Range of discount rate for lease liabilities was as follows:

**December 31,
2024**

Buildings	1.70%
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c. Material leasing activities and terms

The Company leases certain plants and offices with lease terms from 2024 to 2033. These arrangements do not contain renewal or purchase options.

d. Other lease information

**For the Year
Ended
December 31,
2024**

Expenses relating to short-term leases	\$ <u>88</u>
Total cash outflow for leases	\$ <u>8,734</u>

The Corporation's leases of certain office equipment qualify as short-term leases as low-value asset leases. The Corporation has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2023 and December 31, 2023	<u>\$ 42,016</u>	<u>\$ 38,392</u>	<u>\$ 80,408</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ 26,417	\$ 26,417
Depreciation expense	<u>-</u>	<u>777</u>	<u>777</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 27,194</u>	<u>\$ 27,194</u>
Carrying amount at December 31, 2023	<u>\$ 42,016</u>	<u>\$ 11,198</u>	<u>\$ 53,214</u>
<u>Cost</u>			
Balance at January 1, 2024 and December 31, 2024	<u>\$ 42,016</u>	<u>\$ 38,392</u>	<u>\$ 80,408</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	\$ -	\$ 27,194	\$ 27,194
Depreciation expense	<u>-</u>	<u>776</u>	<u>776</u>
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 27,970</u>	<u>\$ 27,970</u>
Carrying amount at December 31, 2024	<u>\$ 42,016</u>	<u>\$ 10,422</u>	<u>\$ 52,438</u>

Investment properties are depreciated on a straight-line basis over the estimated useful life of 45 years.

Management was unable to reliably measure the fair value of investment properties located at Dafeng St., Luzhu District, Taoyuan City due to the remote location. The market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Corporation determined that the fair value of the investment properties is not reliably measurable.

The investment properties of the Corporation were held under freehold interests.

14. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Corporation makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The Corporation adopted the defined benefit plan under the Labor Standards Act, under which pension benefits are calculated on the basis of the length of service and average monthly salary of the six months before retirement. The Corporation contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"). The Corporation has no right to influence the investment policy and strategy.

All the employees of the Corporation who are under the defined benefit plan have been converted to defined contribution plan in 2014. The Corporation no longer recognized cost of defined benefit since 2015.

For the years ended December 31, 2024 and 2023, the Corporation contributed \$57 thousand and \$56 thousand, respectively, to the retirement fund deposited in the Bank of Taiwan. The fair value of plan assets increased by \$672 thousand and \$98 thousand, respectively, due to the interest on the deposits.

15. EQUITY

a. Share capital

	December 31	
	2024	2023
Authorized shares (in thousands)	<u>180,000</u>	<u>180,000</u>
Authorized capital	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>
Issued and paid shares (in thousands)	<u>142,368</u>	<u>142,368</u>
Issued capital	<u>\$ 1,423,676</u>	<u>\$ 1,423,676</u>

The authorized shares include 600 thousand shares reserved for the exercise of employee stock options.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Additional paid-in capital	\$ 2,784,898	\$ 2,784,898
Expired employee share options	14,311	14,311
<u>May only be used to offset a deficit</u>		
Changes in percentage of ownership interests in subsidiaries (2)	<u>21,137</u>	<u>21,588</u>
	<u>\$ 2,820,346</u>	<u>\$ 2,820,797</u>

- 1) Such capital surplus may be used to offset a deficit; when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).
 - 2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using equity method.
- c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles of Incorporation, where the Corporation makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's Board of Directors as the basis for proposing a distribution plan, which should be resolved by the shareholders in their meeting for the distribution of dividends and bonuses to shareholders. In the preceding paragraph, the Board of Directors is authorized to adopt a resolution to distribute dividends and bonuses in cash, and a report should be submitted in the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors in the Articles of Incorporation, refer to compensation of employees and remuneration of directors in Note 17-(e).

The Corporation distributes dividends after taking into consideration its future capital needs and long-term financial plans. Where the Corporation makes a profit in a fiscal year, the Corporation could propose cash dividends between 10% and 100% of distributable earnings. The shareholders may adjust the ratio of dividends to reflect the profit and the adequacy of capital.

Appropriations of earnings to legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash. In the preceding paragraph, the Board of Directors is authorized to adopt a resolution to capital or distributed in cash, and a report should be submitted in the shareholders' meeting.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2023 and 2022 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 61,503	\$ 64,491
Special reserve (reversal)	\$ 80,037	\$ (162,728)
Cash dividends	\$ 327,446	\$ 355,919
Cash dividends per share (NT\$)	\$ 2.3	\$ 2.5

The above cash dividends have been resolved by the Board of Directors on February 26, 2024 and February 23, 2023, respectively, and the other proposed appropriations have been resolved by the shareholders in their meeting on May 29, 2024 and May 29, 2023, respectively.

The appropriations of earnings for 2024 were as follows:

	For the Year Ended December 31, 2024
Legal reserve	<u>\$ 59,393</u>
Special reserve reversal	<u>\$ (338,211)</u>
Cash dividends	<u>\$ 284,735</u>
Cash dividends per share (NT\$)	\$ 2.0

The above cash dividends have been resolved by the Board of Directors on February 26, 2025 and the other proposed appropriations will be resolved by the shareholders in their meeting to be held on May 26, 2025.

d. Special reserve

A proportionate share of the special reserve related to exchange differences on translating the financial statements of foreign operations (including the subsidiaries of the Corporation) will be reversed on the Corporation's disposal of foreign operations; on the Corporation's loss of significant influence, however, the entire special reserve will be reversed. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRS Accounting Standards. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter distributed.

16. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	<u>\$ 1,349,516</u>	<u>\$ 1,583,396</u>

a. Contract information

The goods are sold at the fair value of the consideration received or receivable. The Corporation eliminates the estimated customer returns, discounts and other similar discounts from the amount of goods sold to determine the revenue from sale of goods.

b. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes and accounts receivable (Note 7)	<u>\$ 530,417</u>	<u>\$ 533,321</u>	<u>\$ 715,074</u>

c. Disaggregation of revenue

	For the Year Ended December 31	
	2024	2023
Metal stamped netcom/server parts	\$ 509,370	\$ 698,494
Metal stamped display back cover parts	278,328	289,449
Metal stamped syringe	143,143	181,533
Metal stamped display front frame parts	50,676	64,335
Others	<u>367,999</u>	<u>349,585</u>
	<u>\$ 1,349,516</u>	<u>\$ 1,583,396</u>

17. INCOME BEFORE INCOME TAX

a. Other income

	For the Year Ended December 31	
	2024	2023
Rental income	\$ 4,279	\$ 4,074
Others	<u>579</u>	<u>2,677</u>
	<u>\$ 4,858</u>	<u>\$ 6,751</u>

b. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Gain on foreign exchange	\$ 46,977	\$ 10,337
Gain (loss) on disposal and retirement of property, plant and equipment, net	(18)	147
Others	<u>(776)</u>	<u>(777)</u>
	<u>\$ 46,183</u>	<u>\$ 9,707</u>

c. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Property, plant and equipment	\$ 30,340	\$ 24,065
Intangible assets and others	13,965	26,668
Right-of-use assets	8,149	-
Investment properties	<u>776</u>	<u>777</u>
	<u>\$ 53,230</u>	<u>\$ 51,510</u>

(Continued)

	For the Year Ended December 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	\$ 32,164	\$ 18,413
Operating expenses	6,325	5,652
Non-operating expenses	<u>776</u>	<u>777</u>
	<u>\$ 39,265</u>	<u>\$ 24,842</u>
An analysis of amortization by function		
Operating costs	\$ 12,592	\$ 25,105
Operating expenses	<u>1,373</u>	<u>1,563</u>
	<u>\$ 13,965</u>	<u>\$ 26,668</u>
		(Concluded)

d. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Payroll expense	\$ 306,876	\$ 293,220
Labor and health insurance expense	22,194	21,569
Post-employment benefits		
Defined contribution plans	8,548	8,254
Other employee benefits	<u>10,075</u>	<u>9,405</u>
Total employee benefits expense	<u>\$ 347,693</u>	<u>\$ 332,448</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 136,120	\$ 122,949
Operating expenses	<u>211,573</u>	<u>209,499</u>
	<u>\$ 347,693</u>	<u>\$ 332,448</u>

e. Compensation of employees and remuneration of directors

The Corporation accrued compensation of employees at rates of no less than 1% and no more than 15%, and remuneration of directors at rates of no more than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Corporation's Board of Directors on February 26, 2025 and February 26, 2024, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Compensation of employees	4.38%	3.93%
Remuneration of directors	1.86%	1.65%

Amount

	For the Year Ended December 31	
	2024	2023
Compensation of employees	<u>\$ 32,930</u>	<u>\$ 33,311</u>
Remuneration of directors	<u>\$ 14,000</u>	<u>\$ 14,000</u>

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate for the next year.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

18. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	\$ 97,889	\$ 166,973
Income tax on unappropriated earnings	5,021	18,177
Adjustments for prior year	<u>115</u>	<u>676</u>
	<u>103,025</u>	<u>185,826</u>
Deferred tax		
In respect of the current year	<u>8,004</u>	<u>(1,499)</u>
Income tax expense recognized in profit or loss	<u>\$ 111,029</u>	<u>\$ 184,327</u>

A reconciliation of accounting profit and income tax expense was as follows:

	For the Year Ended December 31	
	2024	2023
Income tax expense calculated at the statutory rate	\$ 140,992	\$ 159,872
Deferred tax effect of earnings of subsidiaries	(32,862)	7,760
Tax-exempt income	(8,103)	(7,444)
Nondeductible expenses in determining taxable income	5,866	5,286
Adjustments for prior years' tax	115	676
Income tax on unappropriated earnings	<u>5,021</u>	<u>18,177</u>
Income tax expense recognized in profit or loss	<u>\$ 111,029</u>	<u>\$ 184,327</u>

b. Current tax assets and liabilities

	For the Year Ended December 31	
	2024	2023
Current tax liabilities		
Income tax payable	\$ 18,284	\$ 136,171

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

Temporary Differences	Beginning Balance	Recognized in Profit or Loss	Ending Balance
<u>Deferred tax assets</u>			
Unrealized amortization expense	\$ 1,845	\$ (1,188)	\$ 657
Unrealized inventory write-down	1,798	166	1,964
Unrealized exchange loss	<u>5,341</u>	<u>(5,341)</u>	<u>-</u>
	<u>\$ 8,984</u>	<u>\$ (6,363)</u>	<u>\$ 2,621</u>

Deferred tax liabilities

Gain on foreign investment accounted for using equity method, net	\$ (200,000)	\$ -	\$ (200,000)
Defined benefit obligations	(346)	(12)	(358)
Unrealized exchange gain	<u>-</u>	<u>(1,629)</u>	<u>(1,629)</u>
	<u>\$ (200,346)</u>	<u>\$ (1,641)</u>	<u>\$ (201,987)</u>

For the year ended December 31, 2023

Temporary Differences	Beginning Balance	Recognized in Profit or Loss	Ending Balance
<u>Deferred tax assets</u>			
Unrealized amortization expense	\$ 3,913	\$ (2,068)	\$ 1,845
Unrealized inventory write-down	1,179	619	1,798
Unrealized exchange loss	<u>2,382</u>	<u>2,959</u>	<u>5,341</u>
	<u>\$ 7,474</u>	<u>\$ 1,510</u>	<u>\$ 8,984</u>

Deferred tax liabilities

Gain on foreign investment accounted for using equity method, net	\$ (200,000)	\$ -	\$ (200,000)
Defined benefit obligations	<u>(335)</u>	<u>(11)</u>	<u>(346)</u>
	<u>\$ (200,335)</u>	<u>\$ (11)</u>	<u>\$ (200,346)</u>

d. Income tax examination

Income tax returns through 2022 have been examined by the tax authorities.

19. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Income for the Year

	For the Year Ended December 31	
	2024	2023
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 593,933</u>	<u>\$ 615,032</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	142,368	142,368
Effect of potentially dilutive ordinary shares:		
Employee share options	<u>909</u>	<u>902</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>143,277</u>	<u>143,270</u>

The Corporation may settle the compensation of employees in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

20. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Corporation's overall strategy remains unchanged.

The capital structure of the Corporation consists of net debt (borrowing offset by cash and cash equivalents) and equity of the Corporation (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Corporation review the capital structure on an annual basis. In order to balance the overall capital structure, the Corporation may adjust the amount of dividends paid to shareholders, or the number of new shares issued or repurchased.

21. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The disclosures of fair value are not required for financial instruments that are not measured at fair value but with carrying value approximating fair value such as cash and cash equivalents, notes and accounts receivable, other financial assets-current, refundable deposits, notes payable, accounts payable, other payables and guarantee deposits.

b. Fair value of financial instruments that are measured at fair value on recurring basis

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic investments unlisted company	\$ -	\$ -	\$ 135,425	\$ 135,425

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic investments unlisted company	\$ -	\$ -	\$ 139,967	\$ 139,967

There were no transfers between Levels 1 and 2 in 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2024

	Financial Assets at FVTOCI
Balance at January 1, 2024	\$ 139,967
Recognized in other comprehensive income or loss	(4,542)
Balance at December 31, 2024	\$ 135,425

For the year ended December 31, 2023

	Financial Assets at FVTOCI
Balance at January 1, 2023	\$ 55,579
Additions	80,000
Recognized in other comprehensive income or loss	<u>4,388</u>
Balance at December 31, 2023	<u>\$ 139,967</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

For the domestic non-listed stocks held by the Corporation and measured at fair value, such fair value is determined by market approach and asset-based approach. The market approach is referring to the observable market price or to the comparable company. The asset-based approach is evaluating the total value of the individual assets and individual liabilities covered by evaluation target to measure its fair value.

c. Categories of financial instruments

	December 31	
	2024	2023
<u>Financial assets</u>		
Financial assets at amortized cost (1)	\$ 1,061,097	\$ 1,272,827
Financial assets at FVTOCI	135,425	139,967
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	361,383	433,312

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable, other financial assets - current, other receivables (recognized as other current assets) and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise notes payable, accounts payable, other payables and guarantee deposits.

d. Financial risk management objectives and policies

The Corporation's major financial instruments include equity investments, accounts receivable, accounts payable and borrowings. The Corporation's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Corporation through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Corporation does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Corporation's treasury function reports quarterly to the Corporation's Board of Directors.

1) Market risk

The Corporation's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There has been no change to the Corporation's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Corporation engages in foreign currency denominated sales and purchases, which expose the Corporation to foreign currency risk. Approximately 82% of sales and almost 18% of purchases are denominated in currencies other than the functional currency of the Corporation.

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities are set out in Note 24.

The Corporation is primarily exposed to the U.S. dollar.

The following table details the Corporation's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the U.S. dollar. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and their adjusted translation at the end of the year for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit associated with the New Taiwan dollar strengthening 1% against the U.S. dollar. For a 1% weakening of the New Taiwan dollar against the U.S. dollar, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	U.S. Dollar Impact	
	For the Year Ended December 31	
	2024	2023
Profit or loss*	\$ 4,728	\$ 8,418

* The result was mainly attributable to the exposure on outstanding receivables and payables in U.S. dollar which were not hedged at the end of the reporting period.

b) Interest rate risk

The Corporation is exposed to interest rate risk because the Corporation borrows funds at fixed interest rates.

The carrying amounts of the Corporation's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	\$ 86,785	\$ 353,042
Financial liabilities	62,272	-
Cash flow interest rate risk		
Financial assets	339,413	383,078

The sensitivity analysis below was determined based on the Corporation's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets, the analysis was prepared assuming the amount of the asset outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$903 thousand and \$763 thousand, respectively.

c) Other price risk

The Corporation is exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than trading purposes. The Corporation does not actively trade these investments.

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the years ended December 31, 2024 and 2023 would have increased/decreased by \$1,354 thousand and \$1,400 thousand, respectively, as a result of the changes in financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Corporation. At the end of the reporting period, the Corporation's maximum exposure to credit risk, which would cause a financial loss to the Corporation due to the failure of the counterparty to discharge its obligation, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In order to mitigate credit risk, the management of the Corporation has delegated qualified personnel in accordance with the segregation of duties principle to be responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Corporation's credit risk was significantly reduced.

Since the counterparty of current funds is a financial institution with a good credit rating, the Corporation does not expect any material credit risk.

The Corporation's concentration of credit risk of 58% and 63% of total accounts receivable as of December 31, 2024 and 2023, respectively, was attributable to the Corporation's three largest customers.

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

	December 31	
	2024	2023
Unsecured bank loan facilities		
Amount used	\$ -	\$ -
Amount unused	<u>1,000,000</u>	<u>1,000,000</u>
	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Secured bank loan facilities		
Amount used	\$ -	\$ -
Amount unused	<u>190,000</u>	<u>190,000</u>
	<u>\$ 190,000</u>	<u>\$ 190,000</u>

The following table details the Corporation's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. The table includes both interest and principal cash flows.

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years
Non-derivative <u>financial liabilities</u>				
Non-interest bearing liabilities	\$ 167,982	\$ 192,571	\$ -	\$ 830
Lease liabilities	<u>-</u>	<u>2,162</u>	<u>6,485</u>	<u>58,283</u>
	<u>\$ 167,982</u>	<u>\$ 194,733</u>	<u>\$ 6,485</u>	<u>\$ 59,113</u>

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1+ Years
Non-derivative <u>financial liabilities</u>				
Non-interest bearing liabilities	\$ 181,873	\$ 250,609	\$ -	\$ 830

22. RELATED PARTY TRANSACTIONS

In addition to information disclosed elsewhere in the other notes, details of transactions between the Corporation and other related parties are disclosed below.

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Chia Chang Technology (Suzhou) Co., Ltd.	Subsidiary
Ningbo Chia Chang Electronics Hardware Co., Ltd.	Subsidiary
Chia Development Co., Ltd.	Subsidiary
EIDEAL Company Limited	Subsidiary
CHIA CHANG TECHNOLOGY (VIETNAM) COMPANY LIMITED	Subsidiary
CHIA CORPORATION	Subsidiary
GOLDSKY ENTERPRISE LIMITED	Subsidiary
Energy Magic Co., Ltd.	Subsidiary

b. Sales

<u>Related Party Category</u>	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Subsidiaries	\$ <u>25,618</u>	\$ <u>1,931</u>

The transaction terms for related parties are equivalent to the general non-related party.

c. Purchases

<u>Related Party Category</u>	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Subsidiaries	\$ <u>11,135</u>	\$ <u>8,100</u>

The transaction terms for related parties are equivalent to the general non-related party.

d. Accounts receivable

<u>Line Item</u>	<u>Related Party Category</u>	<u>December 31</u>	
		<u>2024</u>	<u>2023</u>
Accounts receivable	Subsidiaries	\$ <u>6,647</u>	\$ <u>1,897</u>

The outstanding accounts receivable to related parties are unsecured.

e. Accounts payable

Line Item	Related Party Category	December 31	
		2024	2023
Accounts payables	Subsidiaries	\$ 2,811	\$ -
Other payables	Subsidiaries	<u>290</u>	<u>359</u>
		<u>\$ 3,101</u>	<u>\$ 359</u>

The outstanding accounts payable to related parties are unsecured.

f. Loans to related parties

Related Party Category	December 31	
	2024	2023
Subsidiaries	<u>\$ 99,578</u>	<u>\$ -</u>

Interest revenue

Related Party Category	For the Year Ended December 31	
	2024	2023
Subsidiaries	<u>\$ 1,213</u>	<u>\$ -</u>

The Corporation provided the subsidiaries with an unsecured short-term loan at market interest rates. These loans are expected to be recovered within one year; therefore, no expected credit losses were recognized.

g. Other transactions

Related Party Category	For the Year Ended December 31	
	2024	2023
<u>Rental income</u>		
Subsidiaries	<u>\$ 126</u>	<u>\$ 132</u>
<u>Other income</u>		
Subsidiaries	<u>\$ -</u>	<u>\$ 446</u>
<u>Other expense</u>		
Subsidiaries	<u>\$ 1,800</u>	<u>\$ 1,122</u>

h. Endorsements and guarantees

Endorsements and guarantees provided by the Corporation

Related Party Category/Name	December 31	
	2024	2023
Subsidiary		
GOLDSKY ENTERPRISE LIMITED		
Amount endorsed	\$ 590,130	\$ 552,690
Amount utilized	-	-
CHIA CORPORATION		
Amount endorsed	1,639,250	1,535,250
Amount utilized	-	-
Chia Chang Technology (Chong Qing) Co., Ltd.		
Amount endorsed	136,824	130,056
Amount utilized	-	-
CHIA CHANG TECHNOLOGY (VIETNAM) COMPANY LIMITED		
Amount endorsed	213,103	-
Amount utilized	-	-

i. Remuneration of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	\$ 74,385	\$ 74,779
Post-employment benefits	<u>866</u>	<u>869</u>
	<u>\$ 75,251</u>	<u>\$ 75,648</u>

23. PLEDGED ASSETS

The following assets were provided to bank as collateral or guarantee for bank financing, amount of endorsement and guarantee, and for issuing commercial paper:

	December 31	
	2024	2023
Pledged deposits (recognized as other financial assets - current)	\$ -	\$ 140,000
Property, plant and equipment		
Land	185,000	185,000
Buildings	<u>92,984</u>	<u>92,524</u>
	<u>\$ 277,984</u>	<u>\$ 417,524</u>

24. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Corporation's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	USD	15,651	32.785 (USD:NTD) \$ 513,126
Non-monetary items			
Investment accounted by using equity method			
USD	USD	20,498	32.785 (USD:NTD) 672,014
RMB	RMB	1,452,446	4.5608 (RMB:NTD) 6,624,318
VND	VND	146,577,625	0.0013 (VND:NTD) 185,421

Financial liabilities

Monetary items			
USD	USD	1,254	32.785 (USD:NTD) 40,366

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	USD	29,404	30.705 (USD:NTD) \$ 902,848
Non-monetary items			
Investment accounted by using equity method			
USD	USD	24,823	30.705 (USD:NTD) 762,180
RMB	RMB	1,372,083	4.3352 (RMB:NTD) 5,948,254
VND	VND	83,994,998	0.0012 (VND:NTD) 104,574

Financial liabilities

Monetary items			
USD	USD	1,987	30.705 (USD:NTD) 61,005

The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Year Ended December 31				
Functional Currency	2024		2023	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	32.112 (USD:NTD)	<u>\$ 46,977</u>	31.155 (USD:NTD)	<u>\$ 10,337</u>

25. ADDITIONAL DISCLOSURES

a. Information on significant transactions:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures). (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
- 9) Trading in derivative instruments. (None)

b. Information of investees. (Table 4)

c. Information on investments in mainland China

- 1) Information on any investee Company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income (loss) of investee, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year. (None)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year. (None)
 - c) The amount of property transactions and the amount of the resultant gains or losses. (None)
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (Table 2)

- e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 1)
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services. (None)
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 6)

TABLE 1

CHIA CHANG CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currencies in Thousands)	Ending Balance (Foreign Currencies in Thousands)	Amount Actually Drawn (Foreign Currencies in Thousands)	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Foreign Currencies in Thousands) (Note 1)	Financing Company's Total Financing Amount Limits (Foreign Currencies in Thousands) (Note 2)
													Item	Value		
0	Chia Chang Co., Ltd.	CHIA CHANG TECHNOLOGY (VIETNAM) COMPANY LIMITED	Other receivables	Yes	\$ 96,397 (USD 3,000)	\$ 96,397 (USD 3,000)	\$ 96,397 (USD 3,000)	6.00%	Short-term financing	Not applicable	Operating capital	\$ -	-	-	\$ 1,826,273	\$ 3,652,547
1	GOLDSKY ENTERPRISES LIMITED	Chia Chang Co., Ltd.	Other receivables	Yes	65,570 (USD 2,000)	65,570 (USD 2,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	134,386 (USD 4,099)	268,804 (USD 8,199)
		Chia Chang Technology (Chong Qing) Co., Ltd.	Other receivables	Yes	49,178 (USD 1,500)	49,178 (USD 1,500)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	67,176 (USD 2,049)	268,804 (USD 8,199)
		CHIA CHANG TECHNOLOGY (VIETNAM) COMPANY LIMITED	Other receivables	Yes	49,178 (USD 1,500)	49,178 (USD 1,500)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	67,176 (USD 2,049)	268,804 (USD 8,199)
2	CHIA CORPORATION	Chia Chang Co., Ltd.	Other receivables	Yes	655,700 (USD 20,000)	655,700 (USD 20,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	1,324,862 (RMB 290,489)	2,649,724 (RMB 580,978)
		Nanjing Chia-Chan Precious Electronics Co., Ltd.	Other receivables	Yes	65,570 (USD 2,000)	65,570 (USD 2,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	1,324,862 (RMB 290,489)	2,649,724 (RMB 580,978)
		Chia Chang Technology (Suzhou) Co., Ltd.	Other receivables	Yes	655,700 (USD 20,000)	655,700 (USD 20,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	1,324,862 (RMB 290,489)	2,649,724 (RMB 580,978)
		Chia Chang Technology (Chong Qing) Co., Ltd.	Other receivables	Yes	229,495 (USD 7,000)	229,495 (USD 7,000)	36,486 (RMB 8,000)	3.35%-3.45%	Short-term financing	Not applicable	Operating capital	-	-	-	1,324,862 (RMB 290,489)	2,649,724 (RMB 580,978)
		CHIA CHANG TECHNOLOGY (VIETNAM) COMPANY LIMITED	Other receivables	Yes	98,355 (USD 3,000)	98,355 (USD 3,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	662,429 (USD 145,244)	2,649,724 (RMB 580,978)
3	Chia Chang Technology (Suzhou) Co., Ltd.	Chia Chang Technology (Chong Qing) Co., Ltd.	Other receivables	Yes	91,216 (RMB 20,000)	91,216 (RMB 20,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	833,828 (RMB 182,825)	1,667,657 (RMB 365,650)
4	Ningbo Chia Chang Electronics Hardware Co., Ltd.	Chia Chang Technology (Chong Qing) Co., Ltd.	Other receivables	Yes	68,412 (RMB 15,000)	68,412 (RMB 15,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	98,167 (RMB 21,524)	392,680 (RMB 86,099)
		Chia Chang Technology (Suzhou) Co., Ltd.	Other receivables	Yes	68,412 (RMB 15,000)	68,412 (RMB 15,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	98,167 (RMB 21,524)	392,680 (RMB 86,099)
5	Chia Development Co., Ltd.	EIDEAL Company Limited	Other receivables	Yes	20,000	20,000	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	33,350	133,403

Note 1: The limit for lending to each borrower is as follows:

a. For companies with transactions and short-term funding needs, the amount for lending to a company shall not exceed 2% of the net equity of the Corporation based on its latest financial statements. The total amount for lending shall not exceed 5% of the net equity of the Corporation based on its latest financial statements.

b. For associates with short-term funding needs, in which the Corporation holds less than 100% of the voting shares of each associate, the amount for lending shall not exceed 10% of the net equity of the associate. For associates with short-term funding needs, in which the Corporation holds 100% of the voting shares of each associate, the amount for lending shall not exceed 20% of the net equity of the associate.

Note 2: The total amount for lending shall not exceed 40% of the net equity of the Corporation based on its latest financial statements.

TABLE 2

CHIA CHANG CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Foreign Currencies in Thousands)	Outstanding Endorsement/ Guarantee at the End of the Period (Foreign Currencies in Thousands)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals (Foreign Currencies in Thousands)	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Provided by Parent Company	Endorsement/ Guarantee Provided by Subsidiaries	Endorsement/ Guarantee Provided to Subsidiaries in Mainland China
		Name	Relationship										
0	The Corporation	GOLDSKY ENTERPRISES LIMITED	Note 1	\$ 4,565,684	\$ 590,130 (USD 18,000)	\$ 590,130 (USD 18,000)	\$ -	\$ -	6.46%	\$ 4,565,684	Yes	No	No
		CHIA CORPORATION	Note 1		1,639,250 (USD 50,000)	1,639,250 (USD 50,000)	-	655,700 (USD 20,000)	17.95%		Yes	No	No
		Chia Chang Technology (Chong Qing) Co., Ltd.	Note 1		136,824 (RMB 30,000)	136,824 (RMB 30,000)	-	-	1.50%		Yes	No	Yes
		CHIA CHANG TECHNOLOGY (VIETNAM) COMPANY LIMITED	Note 1		213,103 (USD 6,500)	213,103 (USD 6,500)	-	-	2.33%		Yes	No	No
1	Chia Chang Technology (Suzhou) Co., Ltd.	Chia Chang Technology (Chong Qing) Co., Ltd.	Note 1	4,565,684	91,216 (RMB 20,000)	91,216 (RMB 20,000)	-	-	1.00%	4,565,684	No	No	Yes
2	Ningbo Chia Chang Electronics Hardware Co., Ltd.	Chia Chang Technology (Suzhou) Co., Ltd.	Note 1	4,565,684	68,412 (RMB 15,000)	68,412 (RMB 15,000)	-	-	0.75%	4,565,684	No	No	Yes
		Chia Chang Technology (Chong Qing) Co., Ltd.	Note 1		68,412 (RMB 15,000)	68,412 (RMB 15,000)	-	-	0.75%		No	No	Yes

Note 1: Subsidiary in which the Corporation directly or indirectly owns more than 50% of its voting shares.

Note 2: According to the Corporation’s endorsement/guarantee operating procedures, the total amount of guarantee provided by the Corporation to any individual entity shall not exceed 2% of the Corporation’s net equity based on its latest financial statements, except for the guarantee provided to any entity whose directly or indirectly voting shares are more than 50% owned. The total balance of guarantee shall not exceed 50% of the Corporation’s net equity based on its latest financial statements.

TABLE 3

CHIA CHANG CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares (Units in Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
Chia Chang Co., Ltd.	<u>Ordinary share(s)</u> Chimei Motor Electronics Co., Ltd.	None	Financial assets at FVTOCI - non-current	1,372	\$ 11,968	4.57%	\$ 11,968	Notes 1 and 2
	Top Taiwan XIII Venture Capital Co., Ltd.	The Corporation is its corporate directors	Financial assets at FVTOCI - non-current	5,000	46,067	5.81%	46,067	Notes 1 and 2
	WK Technology Fund IX II Ltd.	The Corporation is its corporate supervisor	Financial assets at FVTOCI - non-current	8,000	77,390	7.12%	77,390	Notes 1 and 2
CHIA CORPORATION	<u>Ordinary share(s)</u> CHIALEHUA HOLDING LIMITED	None	Financial assets at FVTOCI - non-current	900	10,733	15.00%	10,733	Notes 1 and 2
Chia Development Co., Ltd.	<u>Ordinary share(s)</u> WK Technology Fund IX Ltd.	One of the Corporation’s key management personnel is one of its supervisors	Financial assets at FVTOCI - non-current	4,799	121,033	7.69%	121,033	Notes 1 and 2
Chia Chang Technology (Suzhou) Co., Ltd.	<u>Ordinary share(s)</u> Suzhou HENG-SIN Co., Ltd.	None	Financial assets at FVTOCI - non-current	Not applicable	3,420	10.00%	3,420	Notes 1 and 2

Note 1: The unlisted stocks mentioned above are calculated using a valuation method at fair value, and the mutual fund is calculated at net value on December 31, 2024.

Note 2: The securities held at end of period have not been provided as collateral or pledged for loans.

TABLE 4

CHIA CHANG CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS AND RELATED INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee (Foreign Currencies in Thousands)	Share of Profit (Loss) (Note 1)	Note
				December 31, 2024 (Foreign Currencies in Thousands)	December 31, 2023 (Foreign Currencies in Thousands)	Number of Shares (Units in Thousands)	Percentage of Ownership %	Carrying Amount (Foreign Currencies in Thousands)			
Chia Chang Co., Ltd.	CHIA CORPORATION	Samoa	Investment holdings	\$ 1,172,642	\$ 1,172,642	40,000	100.00	\$ 6,624,318	RMB 81,748	\$ 368,544	Subsidiary
	GOLDSKY ENTERPRISES LIMITED	Samoa	International trade	33,892	33,892	15	100.00	672,014	USD 196	6,284	Subsidiary
	Chia Development Co., Ltd.	Taoyuan, Taiwan	New business development and investment	263,564	263,564	19,784	100.00	333,652	40,515	40,515	Subsidiary
	CHIA CHANG TECHNOLOGY (VIETNAM) COMPANY LIMITED	Vietnam	Manufacturing and selling metal stamped IT and optronics components	191,174	109,606	-	100.00	185,421	VND (712,373)	(896)	Subsidiary
CHIA CORPORATION	Zen Material Technology Inc.	Kaohsiung, Taiwan	Electronic components production	92,950	92,950	1,334	46.01	-	(555)	-	Associate (Note 2)
	TARCOOLA TRADING LIMITED	British Virgin Islands	Investment holdings	USD 30,589	USD 30,589	37,100	100.00	RMB 914,574	RMB 39,303	Not applicable	Subsidiary
	HUGE LINE INTERNATIONAL LIMITED	Samoa	Investment holdings	USD 11,400	USD 11,400	16,601	100.00	RMB 323,648	RMB 30,204	Not applicable	Subsidiary
	CHIAPEX HOLDING LIMITED	Samoa	Investment holdings	USD 3,474	USD 3,474	3,460	100.00	RMB 44	-	Not applicable	Subsidiary
Chia Development Co., Ltd.	Energy Magic Co., Ltd.	Taoyuan, Taiwan	Electronic components production	15,496	15,496	1,500	50.00	3,648	(1,018)	Not applicable	Subsidiary
	EIDEAL Company Limited	Taoyuan, Taiwan	Electronic components production	21,000	12,000	2,100	84.00	10,134	(5,217)	Not applicable	Subsidiary
	Top Taiwan IX Venture Capital Co., Ltd.	Taipei, Taiwan	Investment business	52,500	52,500	5,250	12.50	96,516	149,911	Not applicable	Associate

Note 1: Information on investments in mainland China is referred to Table 5.

Note 2: The Corporation's share of loss of an associate exceeds its interest in the associate, so the Corporation discontinues recognizing its share of further loss.

TABLE 5

CHIA CHANG CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (RMB in Thousands)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (USD in Thousands)	Remittance of Funds		Accumulated Outflow of Investment from Taiwan as of December 31, 2024 (USD in Thousands)	Net Income (Loss) of the Investee (RMB in Thousands)	Ownership of Direct or Indirect Investment	Share of Profits (Losses) (RMB in Thousands)	Carrying Amount as of December 31, 2024 (RMB in Thousands)	Accumulated Inward Remittance of Earnings as of December 31, 2024 (RMB in Thousands)
					Outward	Inward						
Chia Chang Technology (Suzhou) Co., Ltd.	Manufacturing and selling metal stamped IT and optronics components	\$ 2,250,805 (RMB 493,511)	Indirect investment in TARCOOLA TRADING LIMITED through CHIA CORPORATION, with the former investing operating funds	\$ 988,107 (USD 30,139)	\$ -	\$ -	\$ 988,107 (USD 30,139)	\$ 177,230 (RMB 39,312)	100.00%	\$ 177,230 (RMB 39,312)	\$ 4,169,150 (RMB 914,127)	\$ 821,824 (RMB 180,193)
Ningbo Chia Chang Electronics Hardware Co., Ltd.	Manufacturing and selling metal stamped IT and optronics components	313,719 (RMB 68,786)	Indirect investment in HUGE LINE INTERNATIONAL LIMITED through CHIA CORPORATION, with the former investing operating funds	209,824 (USD 6,400)	-	-	209,824 (USD 6,400)	112,689 (RMB 24,996)	100.00%	112,689 (RMB 24,996)	981,703 (RMB 215,248)	1,993,836 (RMB 437,168)
Nanjing Chia-Chan Precious Electronics Co., Ltd.	Manufacturing and selling metal stamped IT and optronics components	323,703 (RMB 70,975)	Indirect investment in HUGE LINE INTERNATIONAL LIMITED through CHIA CORPORATION, with the former investing operating funds	-	-	-	-	23,443 (RMB 5,200)	100.00%	23,443 (RMB 5,200)	492,913 (RMB 108,076)	180,348 (RMB 39,543)
Chia Chang Technology (Chong Qing) Co., Ltd.	Manufacturing and selling metal stamped IT and optronics components	136,824 (RMB 30,000)	Through Chia Chang Technology (Suzhou) Co., Ltd. invest operating funds	-	-	-	-	(37,644) (RMB -8,350)	100.00%	(37,644) (RMB -8,350)	26,626 (RMB 5,838)	-
Chia Chain Precious Hardware & Electronics (Suzhou) Co., Ltd.	Manufacturing and selling metal stamped IT and optronics components	160,522 (RMB 35,196)	Indirect investment in CHIAPEX HOLDING LIMITED through CHIA CORPORATION, with the former investing operating funds	129,730 (USD 3,957)	-	-	129,730 (USD 3,957)	(38,248) (RMB -8,484)	49.00%	- Note 2	-	326,252 (RMB 71,534)

Accumulated Investment in Mainland China as of December 31, 2024 (USD in Thousands)	Investment Amounts Authorized by the Investment Commission, MOEA (USD in Thousands)	Upper Limit on Investment Stipulated by the Investment Commission, MOEA
\$ 1,327,661 (USD 40,496)	\$ 4,048,620 (USD 123,490)	\$ 5,478,820 (Note 1)

Note 1: The investment limit is 60% of the Corporation’s net equity.

Note 2: The Corporation’s share of loss of an associate exceeds its interest in the associate, so the Corporation discontinues recognizing its share of further loss.

TABLE 6**CHIA CHANG CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Yung Hsiang Investment Co., Ltd.	13,438,441	9.43%
Hsin Ho Investment Co., Ltd.	11,904,492	8.36%

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Corporation as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration due to different preparation basis.

CHIA CHANG CO., LTD.

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STATEMENT 1**CHIA CHANG CO., LTD.****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

Item	Abstract	Amount
Bank deposits		
Foreign currency demand deposits	USD 181 thousand, translated at the exchange rate of 32.785 and RMB 2 thousand, translated at the exchange rate of 4.5608	\$ 5,937
Foreign currency time deposits	USD 1,000 thousand, translated at the exchange rate of 32.785	32,785
Demand deposits		20,467
Check deposits		5,209
Cash on hand		<u>1</u>
		<u>\$ 64,399</u>

CHIA CHANG CO., LTD.**STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

Item	Customer	Amount
Notes receivable	Others (Note)	\$ <u>57</u>
Accounts receivable - non-related parties	Company A	172,928
	Company B	70,064
	Company C	63,234
	Company D	59,227
	Company E	43,098
	Company F	37,181
	Others (Note)	<u>77,981</u>
		<u>523,713</u>
Accounts receivable - related parties	Chia Chang Technology (Suzhou) Co., Ltd.	837
	CHIA CHANG TECHNOLOGY (VIETNAM)	<u>5,810</u>
	COMPANY LIMITED	<u>6,647</u>
		<u>\$ 530,417</u>

Note: The balance of each customer does not exceed 5% of the account balance.

CHIA CHANG CO., LTD.**STATEMENT OF INVENTORIES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Book Value	Net Realizable Value
Finished goods	\$ 56,195	\$ 68,698
Work in process	39,680	49,893
Raw materials and supplies	17,632	15,955
Allowance for inventory write-down	<u>(9,819)</u>	<u>-</u>
	<u>\$ 103,688</u>	<u>\$ 134,546</u>

Note 1: The inventories are insured for \$100,000 thousand.

Note 2: Please refer to Note 4-(e) for the method of determining the net realizable value of inventories.

CHIA CHANG CO., LTD.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FVTOCI - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Name	January 1, 2024		Increase During the Year		Decrease During the Year		December 31, 2024		Collateral	Note
	Number of Shares (In Thousands)	Fair Value	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Fair Value		
Chimei Motor Electronics Co., Ltd.	1,372	\$ 17,287	-	\$ -	-	\$ 5,319	1,372	\$ 11,968	None	Ordinary shares (Note 2)
Top Taiwan XIII Venture Capital Co., Ltd.	5,000	42,680	-	3,387	-	-	5,000	46,067	None	Ordinary shares (Note 1)
WK Technology Fund IX II Ltd.	8,000	<u>80,000</u>	-	<u>-</u>	-	<u>2,610</u>	8,000	<u>77,390</u>	None	Ordinary shares (Note 2)
		<u>\$ 139,967</u>		<u>\$ 3,387</u>		<u>\$ 7,929</u>		<u>\$ 135,425</u>		

Note 1: Increase during the year is recognized gain on valuation.

Note 2: Decrease during the year is recognized loss on valuation.

CHIA CHANG CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Name	Balance, January 1, 2024			Increase During the Year (Note 1)		Decrease During the Year (Note 2)		Balance, December 31, 2024			Market Price or Net Asset Value		Collateral
	Shares (In Thousands)	Ownership	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Ownership	Amount	Unit Price (New Taiwan Dollars)	Amount	
CHIA CORPORATION	40,000	100.00%	\$ 5,948,254	-	\$ 682,305	-	\$ 6,241	40,000	100.00%	\$ 6,624,318	165.61	\$ 6,624,318	None
GOLDSKY ENTERPRISES LIMITED	15	100.00%	762,180	-	57,984	-	148,150	15	100.00%	672,014	44,801	672,014	None
CHIA CHANG TECHNOLOGY (VIETNAM) COMPANY LIMITED	-	100.00%	104,574	-	81,742	-	895	-	100.00%	185,421	-	185,421	None
Chia Development Co., Ltd.	19,784	100.00%	340,593	-	40,515	-	47,456	19,784	100.00%	333,652	16.86	333,652	None
Zen Material Technology Inc.	1,334	46.01%	-	-	-	-	-	1,334	46.01%	-	-	-	None
			<u>\$ 7,155,601</u>		<u>\$ 862,546</u>		<u>\$ 202,742</u>			<u>\$ 7,815,405</u>		<u>\$ 7,815,405</u>	

Note 1: It includes investments acquisition of investments accounted for using equity method, profit on investments accounted for using equity method, and foreign currency translation adjustments.

Note 2: It includes loss on investments accounted for using equity method, foreign currency translation adjustments, share of the other comprehensive income (loss), adjustments for changes in ownership interest in subsidiaries, and cash dividends.

CHIA CHANG CO., LTD.**STATEMENT OF NOTES PAYABLE****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

Vendor Name	Amount
Non-related parties	
Company A	\$ 12,566
Company B	9,224
Company C	6,198
Company D	3,410
Others (Note)	<u>34,659</u>
	<u>\$ 66,057</u>

Note: The balance of each vendor does not exceed 5% of the account balance.

CHIA CHANG CO., LTD.**STATEMENT OF ACCOUNTS PAYABLE****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

Vendor Name	Amount
Non-related parties	
Company A	\$ 20,756
Company B	12,886
Company C	10,607
Company D	10,397
Company E	9,637
Company F	6,443
Others (Note)	<u>52,977</u>
	<u>123,703</u>
Related parties	
Ningbo Chia Chang Electronics Hardware Co., Ltd.	1,573
Chia Chang Technology (Suzhou) Co., Ltd.	<u>1,238</u>
	<u>2,811</u>
	<u>\$ 126,514</u>

Note: The balance of each vendor does not exceed 5% of the account balance.

CHIA CHANG CO., LTD.**STATEMENT OF OTHER PAYABLES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

Item	Amount
Non-related parties	
Payable for salaries and bonuses	\$ 86,108
Payable for compensation of employees	32,930
Subcontracting expenses payables	16,296
Payable for remuneration of directors	14,000
Others (Note)	<u>18,358</u>
	<u>167,692</u>
Related parties	
EIDEAL Company Limited	<u>290</u>
	<u>\$ 167,982</u>

Note: The balance of each item does not exceed 5% of the account balance.

CHIA CHANG CO., LTD.**STATEMENT OF SALES REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Item	Quantity (Pcs)	Amount
Metal stamped netcom/server parts	4,913,696	\$ 512,843
Metal stamped display back cover parts	6,190,895	278,328
Metal stamped syringe	22,367,570	143,143
Metal stamped display front frame parts	1,346,760	50,676
Others (Note)	1,973,166	<u>364,526</u>
		<u>\$ 1,349,516</u>

Note: The balance of each item in others does not exceed 5% of the account balance.

CHIA CHANG CO., LTD.
STATEMENT OF COSTS OF GOODS SOLD
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials and supplies used	
Balance, January 1, 2024	\$ 22,804
Add: Raw materials and supplies purchased	285,434
Less: Raw materials and supplies, end of year	(17,632)
Sales of raw materials and supplies	(2,067)
Transfer to other accounts	<u>(4,074)</u>
Raw materials and supplies used	284,465
Add: Direct labor cost	84,049
Manufacturing expenses	<u>288,829</u>
Manufacturing costs	657,343
Add: Work in process, beginning of year	32,722
Purchases of work in process	89,765
Less: Work in process, end of year	(39,680)
Sales of work in process	(691)
Transfer to other accounts	<u>(549)</u>
Costs of finished goods	738,910
Add: Finished goods, beginning of year	62,882
Purchases of finished goods	87,845
Other accounts transfer in	20,468
Less: Finished goods, end of year	<u>(56,195)</u>
Cost of sales of finished goods	853,910
Cost of sales of raw materials and supplies	2,067
Cost of sales of work in process	691
Allowance for inventory valuation loss	<u>829</u>
	<u>\$ 857,497</u>

Note: Each inventory item at the beginning and end of each year in the above table is listed at original cost.

CHIA CHANG CO., LTD.**STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll	\$ 25,545	\$ 138,458	\$ 32,994	\$ 196,997
Others (Note)	<u>20,544</u>	<u>31,418</u>	<u>15,417</u>	<u>67,379</u>
	<u>\$ 46,089</u>	<u>\$ 169,876</u>	<u>\$ 48,411</u>	<u>\$ 264,376</u>

Note: The amount of each item in others does not exceed 5% of the account balance.

CHIA CHANG CO., LTD.

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31, 2024				For the Year Ended December 31, 2023			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Other Operating Income and Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as Other Operating Income and Expenses	Total
Employee benefits expense								
Salary	\$ 114,887	\$ 176,789	\$ -	\$ 291,676	\$ 102,992	\$ 175,028	\$ -	\$ 278,020
Board compensation	-	15,200	-	15,200	-	15,200	-	15,200
Labor and health insurance	10,930	11,264	-	22,194	10,472	11,097	-	21,569
Pension	3,540	5,008	-	8,548	3,345	4,909	-	8,254
Others	<u>6,763</u>	<u>3,312</u>	<u>-</u>	<u>10,075</u>	<u>6,140</u>	<u>3,265</u>	<u>-</u>	<u>9,405</u>
	<u>\$ 136,120</u>	<u>\$ 211,573</u>	<u>\$ -</u>	<u>\$ 347,693</u>	<u>\$ 122,949</u>	<u>\$ 209,499</u>	<u>\$ -</u>	<u>\$ 332,448</u>
Depreciation	<u>\$ 32,164</u>	<u>\$ 6,325</u>	<u>\$ 776</u>	<u>\$ 39,265</u>	<u>\$ 18,413</u>	<u>\$ 5,652</u>	<u>\$ 777</u>	<u>\$ 24,842</u>
Amortization	<u>\$ 12,592</u>	<u>\$ 1,373</u>	<u>\$ -</u>	<u>\$ 13,965</u>	<u>\$ 25,105</u>	<u>\$ 1,563</u>	<u>\$ -</u>	<u>\$ 26,668</u>

Note 1: As of December 31, 2024 and 2023, the Corporation had 312 and 308 employees, respectively. Non-employee directors were 5 and 3, respectively.

Note 2: The average employee benefit expense in 2024 was \$1,083 thousand (“Total employee benefit expense in the current year - total remuneration for directors”/“Number of employees in the current year - number of non-employee directors”).

The average employee benefit expense in 2023 was \$1,040 thousand (“Total employee benefit expense in the previous year - total remuneration for directors”/“Number of employees in the previous year - number of non-employee directors”).

Note 3: The average employee salary expense in 2024 was \$950 thousand. (“Total salary expense in the current year”/“Number of employees in the current year - number of non-employee directors”).
The average employee salary expense in 2023 was \$912 thousand. (“Total salary expense in the previous year”/“Number of employees in the previous year - number of non-employee directors”).

Note 4: The change in adjustment to the average employee salary expense increased by approximately 4.17% (“Average employee salary expense in the current year - average employee salary expense in the previous year”/“Average employee salary expense in the previous year”).

Note 5: The Corporation has established an audit committee, and the remuneration of independent directors has been incorporated into the remuneration of the directors for disclosure.

Note 6: When all directors perform their duties in the Corporation, their compensation is authorized by the Board of Directors to negotiate on the basis of their participation in the Corporation’s operations and the value of their contributions, which is not exceeding the highest salary scale stipulated in the Corporation’s salary assessment regulations. If the Corporation made a profit in a fiscal year, the Corporation contributed 1%-15% of the profit as compensation of employees, and less than 5% of the profit as remuneration of directors. However, if the Corporation has accumulated deficits, the profit when generated shall be first reserved for offsetting accumulated deficits. Compensation of employees in stock or cash shall be paid to employees including employees of subordinate companies that meet certain conditions, and authorized by the Board of Directors.